



# POLICY BRIEF



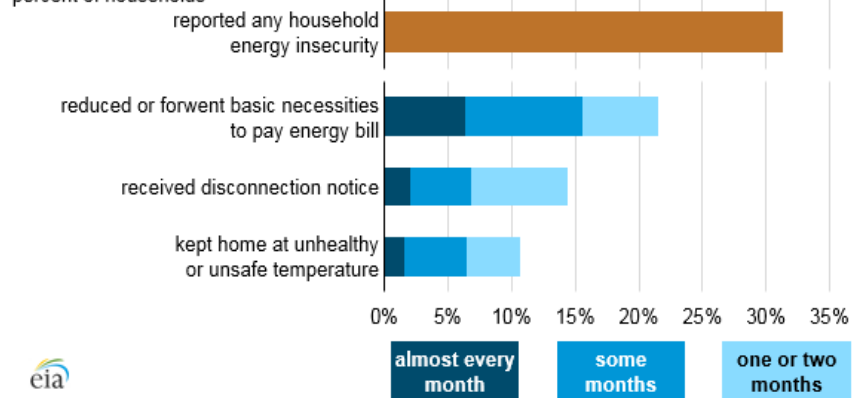
## ENERGY POVERTY AND ECONOMIC JUSTICE

Even before President Biden took office, the phrase “environmental justice” was at the heart of his climate plan.<sup>1</sup> Americans soon found out that “environmental justice” meant destroying jobs and increasing energy prices through policies such as canceling the Keystone XL pipeline and stopping new oil and gas leases on federal land.

Although Democrats often mention the importance of “environmental justice,” their energy policies hit the pocketbook and health of low-income families the hardest. These policies have raised overall energy costs, including gasoline that has driven an increase in broader consumer prices and led to thousands of Americans in the energy sector being out of work.<sup>2</sup> If California is any example, Americans can expect this “energy injustice” to rise if Biden Administration continues pursuing an “America Last” energy policy.

- **Minorities and Low-Income families disproportionately carry the burden of bad energy policies.**
  - While the U.S. does not lack access to energy supplies like many other parts of the world, over 30 million households face a high energy burden, which is defined as spending more than 6% of one’s income on energy bills.<sup>3</sup> Also, according to the U.S. Energy Information Administration’s latest energy consumption survey, nearly one-third of U.S. households had difficulty paying energy bills or maintaining adequate heating and air.<sup>4</sup>
  - One study found that Black households spend 43% more and Hispanic households 20% more on their energy bills than White households. Furthermore, low-income households dedicate three times more of their income to energy bills than other households.<sup>5</sup>
- **Unaffordable energy prices can have detrimental consequences to health and safety.**
  - When the United Kingdom decided to shut down coal power plants and replace them with wind and solar energy sources, energy prices skyrocketed to unaffordable rates. Consequently, energy poverty increased and caused an estimated 8,000 additional deaths each year. If the U.S. were to enact proportional measures, those deaths would number in the tens of thousands.<sup>6</sup>
  - As shown in Figure 1, high energy prices lead families to make decisions detrimental to their health and safety. This is a direct result of government restrictions on free market energy innovation.
  - COVID-19 has presented even more challenges for low-income Americans with 22% of households reporting they had to reduce or forgo basic needs, such as food or medicine, to pay an energy bill.<sup>7</sup>
  - Numerous studies have found that households facing energy poverty or energy insecurity are more likely to face poor physical and mental health, ranging from asthma and chronic bronchitis to depression and anxiety.<sup>8</sup> In addition, children growing up in energy poverty could be even more vulnerable than adults to these health impacts, since very young children spend more time indoors.<sup>9</sup>

Households that experienced energy insecure situations, 2015  
percent of households



Source: U.S. Energy Information Administration, Residential Energy Consumption Survey 2015

- Living without energy can also lead to more severe outcomes such as going hungry from food spoilage when refrigeration is inadequate, house fires when resorting to candles or other fire sources for heat and light, or even fatalities for the young and elderly from either hypothermia or heat waves.<sup>10</sup>
- The best way to protect low-income households and minorities from the outcomes of energy poverty is to enact policies that allow access to reliable and affordable energy.
- **Democrats’ policies will lead to spiraling costs and higher rates of energy poverty and injustice.**
  - California, where Democrat policies like high fuel-taxes, Cap-and-Trade Program, and Low Carbon Fuel Standard have been implemented, leads the country in highest gasoline prices, which are currently over a dollar more per gallon than the national average.<sup>11</sup>
  - In addition to fuel prices, California has one of the highest residential electricity rates.<sup>12</sup> This is particularly alarming since cost increases for residential electricity also have the most regressive impact on the poor compared to other basic needs.<sup>13</sup>
  - In addition to high fuel and electricity prices, the building energy codes in California have regressive impacts. In a National Bureau of Economic Research study, the stricter energy codes were found to hurt the home values of the poor, while increasing the home values of wealthier households. Despite the justification of the codes to reduce energy use, the study says there is debate about whether the codes reduce energy consumption at all.<sup>14</sup>
  - These policies are why a coalition of civil-rights leaders called The Two Hundred sued the California Air Resources Board for enacting policies that were “driving up the cost of housing, worsening poverty and particularly victimizing minority communities.”<sup>15</sup>
  - Enacting these terrible policies at the federal level will only further inflict “energy injustice” on to more American families.

Any energy policy that needlessly raises prices on families under the guise of “environmental justice” is hypocritical and destructive. Therefore, it is important for Congress to reject Biden’s energy policies that put American’s out of work and raise the energy burden on families. Instead, we should enact policies that lead to domestic economic opportunities and increase access to reliable and affordable energy for all Americans.

<sup>1</sup> <https://www.washingtonpost.com/climate-environment/2021/01/26/biden-environmental-justice-climate/> and <https://joebiden.com/climate-plan/>

<sup>2</sup> <https://www.wsj.com/articles/us-inflation-consumer-price-index-march-2021-11618273541> and <https://www.cnbc.com/2021/05/12/consumer-price-index-april-2021.html>

<sup>3</sup> <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf> and <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS>

<sup>4</sup> <https://www.eia.gov/todayinenergy/detail.php?id=37072>

<sup>5</sup> <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

<sup>6</sup> <https://cornwallalliance.org/2015/07/fuel-poverty-the-deadly-side-of-renewable-energy/>

<sup>7</sup> <https://oneill.indiana.edu/doc/research/energy-insecurity-survey-june-2020.pdf>

<sup>8</sup> <https://www.sciencedirect.com/science/article/pii/S0213911120301941> and <https://www.sciencedirect.com/science/article/pii/S0140988321001249>

<sup>9</sup> <https://www.sciencedirect.com/science/article/abs/pii/S2214629620303972#:~:text=Where%20energy%20poverty%20impacts%20asthma%2C%20this%20may%20also,in%20acute%20settings%20such%20as%20hospital%20emergency%20departments.>

<sup>10</sup> <https://mcgillpolicyassociation.com/journal/2021/3/22/energy-poverty-a-health-and-equity-issue>

<sup>11</sup> <https://gasprices.aaa.com/state-gas-price-averages/> and <https://cei.org/blog/california-leads-nation-in-gas-prices-climate-policies-a-growing-contributor/> and <https://www.eia.gov/petroleum/gasdiesel/>

<sup>12</sup> [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_5\\_6\\_a](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a)

<sup>13</sup> <https://www.americaspower.org/wp-content/uploads/2016/06/Family-Energy-Costs-2016.pdf>

<sup>14</sup> <https://www.cato.org/blog/when-environmental-regulation-harms-poor> and

[https://www.nber.org/system/files/working\\_papers/w24211/w24211.pdf](https://www.nber.org/system/files/working_papers/w24211/w24211.pdf)

<sup>15</sup> <https://www.foxandhoundsdaily.com/2019/01/civil-rights-attorneys-sue-over-greenhouse-gas-regs-that-affect-housing/>